

Message Text

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51

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INFO USLO PEKING

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TAGS: ETRD BTRD CH

SUBJ: US BUSINESSMEN OBSERVATIONS IN PEKING, SHANGHAI, CANTON

SUMMARY: DURING VISITS TO PEKING, SHANGHAI, AND CANTON, A TEAM OF J. C. PENNEY EXECUTIVES FOUND "BUSINESS AS USUAL" WITH STATE TRADING COPORATIONS. SHANGHAI WAS COVERED WITH POSTERS BUT, LIKE PEKING AND CANTON, WAS OTHERWISE CALM.

1. ARRIVAL FROM CHINA, A FIVE-MAN TEAM OF J.C. PENNEY EXECUTIVES TOLD CONGENOFFS ON FEBRUARY 19 THAT THEY HAD ENCOUNTERED NO DIFFICULTIES IN DOING BUSINESS WITH PRC STATE TRADING CORPORATIONS (STC) IN PEKING, SHANGHAI AND CANTON. IN PEKING AS IN THE OTHER CITIES, THE TEAM FOUND "BUSINESS AS USUAL" IN THEIR CONTACTS WITH THREE STC'S. APPOINTMENTS WERE EASILY ARRANGED NOT ONLY WITH THEIR HOSTS (CHINATEX/TEXTILES), BUT ALSO WITH TWO OTHER CORPORATIONS. NEGOTIATIONS WERE HELD BOTH MORNING AND AFTERNOON, AND IT APPEARED THE CHINESE WERE WORKING SOME NIGHTS TO PREPARE FOR NEXT DAY'S TALKS. THROUGHOUT THE VISIT, THE CHINESE WERE PERSONALLY CORDIAL AND GENERALLY RESPONSIVE TO PENNEY REQUESTS ON PACKAGING LABELING AND DESIGNS (REF (A)).

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2. ON A VISIT ARRANGED BY CHINATEX, THE GROUP FOUND THE PEKING NO. 3 TEXTILE MILL BEDECKED WITH SLOGANS AND POSTERS ON THE OUTSIDE; PHOTOGRAPHING THEM WAS NOT ALLOWED. HOWEVER, THE INTERIOR OF MILL DID NOT HAVE POSTERS AND THE TEAM TOOK A LOT OF INTERIOR PICTURES. THE TEAM DID NORMAL TOURIST SIGHTSEEING, INCLUDING THE GREAT WALL, TO WHICH THEY WERE ACCOMPANIED BY MEN FROM TEXTILES CORP.

3. AFTER SOME DELAY, THE TEAM WAS GRANTED PERMISSION TO GO TO SHANGHAI FOR DIRECT TALKS WITH TEXTILE REPRESENTATIVES (SEE REF (B)). THEY SAID THE CITY WAS PLASTERED WITH "PROFESSIONALLY"-DONE POSTERS WHICH APPEARED TO DENOUNCE CONFUCIUS AND LIN PIAO. THE POSTERS WERE NEATLY ARRANGED AND THE ARTISTIC LEVEL OF THE CARTOONING WAS DESCRIBED AS "EXCELLENT." IN GENERAL, HOWEVER, THE CITY SEEMED CALM AND THEY SAW NO SIGNS OF TROUBLE. IN WALKS NEAR THE HOTEL, THEY FOUND PEOPLE CURIOUS BUT FRIENDLY.

4. THE ONLY UNUSUAL ASPECT OF THEIR SHANGHAI VISIT WAS THAT NEGOTIATIONS TOOK PLACE IN THE HOTEL AND NOT AT NEARBY CORPORATION OFFICES. EXPLANATION GIVEN WAS THAT THERE WERE MANY FOREIGN BUYERS IN TOWN (WEST GERMANS, BELGIANS, AND JAPANESE WERE SPECIFICALLY MENTIONED), WHICH OVERTAXED FACILITIES AT THE OFFICE BUILDING SO THE CORPORATION HAD TAKEN THREE ROOMS AT THE HOTEL FOR DISCUSSIONS. TEAM FELT MORE CHAPERONED IN SHANGHAI, BUT, EVEN SO, WAS ABLE TO WALK THE BLOCK OR SO TO THE FRIENDSHIP STORE AND TO WALK ALONG THE BUND WITHOUT INCIDENT. THE HOTEL WAS FULL OF FOREIGN BUSINESSMEN AND THERE DID NOT APPEAR TO BE RESTRICTIONS ON MOVING ABOUT THE CITY.

5. IN COMMENTING ON CANTON, THE TEAMS SAID THERE WERE NOTICEABLY FEWER POSTERS THAN EITHER SHANGHAI OR PEKING. ONE MAN WHO HAD ATTENDED THE 1973 FALL TRADE FAIR SAID THAT THE ATMOSPHERE NOW WAS MUCH THE SAME AS LAST NOVEMBER. A LARGE NUMBER OF JAPANESE STAYING AT THE TUNG FANG HOTEL APPEARED TO BE TOURIST RATHER THAN BUSINESSMEN. ON THE WAY TO THE RAILROAD STATION MONDAY MORNING, FEBRUARY 18, THEY SAW SEVERAL THOUSAND PEOPLE "IN UNIFORM" ENTERING LIMITED OFFICIAL USE

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A LARGE MEMORIAL PARK. BANDS WERE PLAYING, AND THE CROWD CARRIED POSTERS, BUT EVERYTHING WAS VERY ORDERLY.
ALLEN

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